

JOSEPH ONEBANE (1917-1987)  
JOHN G. TORIAN, II (1936-1991)

TIMOTHY J. MCNAMARA  
EDWARD C. ABELL, JR.  
LAWRENCE L. LEWIS, III †  
ROBERT M. MAHONY  
DOUGLAS W. TRUXILLO \*  
RANDALL C. SONGY  
MICHAEL G. DURAND  
GREG GUIDRY \*  
MARK L. RILEY  
GRAHAM N. SMITH \*  
GARY P. KRAUS  
RICHARD J. PETRE, JR.  
CHARLES J. BOUDREAUX, JR.  
THOMAS G. SMART  
ROGER E. ISHEE \*\*  
STEVEN C. LANZA  
GREG R. MIER ††  
FRANK H. SPRUIELL, JR. \*  
MARIA FABRE MANUEL  
MICHAEL P. MARAIST  
JOAN LABBE BOUDREAUX  
JASMINE B. BERTRAND

# ONEBANE LAW FIRM

*A Professional Corporation*

1200 CAMELLIA BOULEVARD (70508)  
SUITE 300  
POST OFFICE BOX 3507  
LAFAYETTE, LOUISIANA 70502-3507

TELEPHONE: (337) 237-2660  
FAX: (337) 266-1232

WWW.ONEBANE.COM

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OF COUNSEL  
WILLIAM E. KELLNER  
CRAIG A. RYAN  
GREGORY K. MOROUX  
FREDERICK R. PARKER, JR. ††  
MICHAEL D. SKINNER  
DANIEL C. PALMINTIER  
STEPHEN L. FREDERICK  
JOHN F. PARKER  
MICHAEL V. ARDOIN\*

## SHREVEPORT OFFICE

400 TRAVIS STREET, SUITE 1000  
SHREVEPORT, LA 71101  
TELEPHONE: (318) 674-9770  
FAX: (318) 674-9775

## BATON ROUGE OFFICE

TELEPHONE : (225) 343-1445

‡ LL.M. IN HEALTH LAW  
† BOARD CERTIFIED TAX ATTORNEY  
LL.M. IN TAXATION  
†† REGISTERED PATENT ATTORNEY

\* ALSO ADMITTED IN TEXAS  
\*\* ALSO ADMITTED IN MISSISSIPPI

## APPLICATION

8306-65535

Honorable James H. Welsh  
Commissioner of Conservation  
P.O. Box 94275  
Baton Rouge, Louisiana 70804-7275

Re: Marg Howei Sand, Reservoir B  
Leleux Field  
Vermilion Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **DOMINION EXPLORATION & PRODUCTION, INC.** for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters in the Marg Howei Sand, Reservoir B, Leleux Field, Vermilion Parish, Louisiana, to-wit:

1. To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate, such unit to be designated MARG H RB SUA;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;
3. To provide that any future wells drilled to the Marg Howei Sand, Reservoir B, within or outside of the proposed unit should be

located in accordance with the spacing provisions of Statewide Order 29-E;

4. To provide that the Commissioner of Conservation should be authorized to reclassify the Marg Howei Sand, Reservoir B, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and
5. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Marg Howei Sand, Reservoir B, in the Leleux Field, Vermilion Parish, Louisiana, is hereby defined as being that gas and condensate bearing sand encountered between the depths of 16,098 feet and 16,238 feet, electrical log measurements, in the Denbury Management, Inc. – G. Vincent et al. No. 2 Well, located in Section 36, Township 11 South, Range 1 East, and is hereby further defined as being that sand encountered between the depths of 15,588 feet and 15,800 feet, electrical log measurements, in the PanAm - U. Simon et al. No. 1 Well (Serial No. 101188), located in Section 1, Township 12 South, Range 1 East, Vermilion Parish, Louisiana.

A conference to discuss the proposed application and any opposition thereto was held at 10:30 a.m. on the 17<sup>th</sup> day of May, 2006, at the Onebane Law Firm, 1200 Camellia Blvd., Suite 300, Lafayette, Louisiana 70508, (337) 237-2660. A list of the parties who attended the pre-application conference is attached. Randall C. Songy, attorney for the applicant, opened the conference with a brief discussion of the Rules of Procedures. David Comeaux, geological consultant for the applicant, explained the applicant's proposal and the geological, engineering and other bases therefore, and answered questions. There were no counter plans presented. The conference was then adjourned.

Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY, by contacting David Comeaux, 305 La Rue France, Lafayette, Louisiana, 70508, (337)233-9839.

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$755.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,

  
RANDALL C. SONGY

RCS/elg/bad

Enclosures

cc: Mr. Richard Hudson, District Manager  
Office of Conservation

All Interested Owners, Interested Parties  
and Represented Parties

**P.S. To all Interested Owners, Represented Parties and Interested Parties:**

You may have received this Application even though your property is not included in the proposed unit, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the proposed units. In some cases, the area proximate to proposed units can extend as far as one-half mile outside the unit boundary.

Your receipt of this Application does not require you to take any action. It is meant to notify you of these proceedings so that you have the opportunity to participate if you so desire.

